The Export of Capital. By C. K. Hobson. New York: Macmillan, 1914. 8vo, pp. xxv+264. $2.00.

The writer of this book undertakes to discuss the subject of foreign investment, particularly by British investors, from the point of view of theory, of history, and of statistics. The theory of foreign investment is first clearly set forth. It is pointed out that such investment involves either an increase of exports from or a decrease of imports to the investing country as compared with the situation if there were no such investing. The goods required as capital in the countries where the investments are made may be produced in the investing country or they may be produced elsewhere and paid for by goods produced in the investing country, or they may be produced elsewhere and paid for with goods which the investing country might otherwise have imported. At this point there is some discussion as to the extent to which British investment in other countries has involved exportation, from Great Britain, of rails, locomotives, and other capital.

Capital sent abroad (unless we assume that without the possibility of foreign investment it would never have been accumulated) is capital which might otherwise have been invested at home. Home industries may, therefore, be less well supplied with capital equipment and may be less productive. Interest at home may be higher and wages lower. It is clear enough, though the point seems not to be emphasized, that the total national wealth of the investing country is increased by the export of capital, if the capital brings higher interest abroad; but the welfare of laborers in the investing country may be lowered. This reduction of wage-earners' returns, together with better opportunities of employment in the countries to which capital is exported, may lead to emigration of labor from the invest'ng country. In the statistical part of the work, the author shows that there is some correlation between emigration from the United Kingdom and British investment abroad, but he is careful not to claim that the investment necessarily causes the emigration, and suggests a variety of possible partial explanations for the facts.

A number of chapters deal historically with foreign investment, tracing it through the periods when Italy, Spain and Portugal, and Holland were successively the world's chief financial centers, to the present time when London is usually regarded as holding the first rank.

The book is clearly written and interesting and should have value to the student of finance, of production and distribution, or of commerce.

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